

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**801 K STREET, MS 19-01, SACRAMENTO, CALIFORNIA 95814 • (916) 322-4027 • [WWW.CALRECYCLE.CA.GOV](http://WWW.CALRECYCLE.CA.GOV)

August 10, 2010

Sharon Corrigan  
Goodwill Industries of San Diego County  
3663 Rosecrans Street,  
San Diego, CA 92110

RE: FINAL AUDIT REPORT – GOODWILL INDUSTRIES OF SAN DIEGO COUNTY  
(CEWID 100569)

Dear Ms. Corrigan:

Enclosed is the final audit report of Goodwill Industries of San Diego County (GISD), regarding the Covered Electronic Waste Recovery and Recycling Program. The audit was planned and performed to determine conformance with the regulations resulting from the Electronic Waste Recycling Act of 2003. The period of review for this audit was January 1, 2008 through December 31, 2008.

The following finding was identified:

- Missing Transfer Receipt

The response by GISD to the draft audit report on July 21, 2010, along with the evaluation of the response is included in this final report. The response did address your corrective action to the finding.

A copy of this letter is being forwarded to the Covered Electronic Waste Recovery and Recycling Program for information and any necessary action, if required.

(Over)



Sharon Corrigan  
August 10, 2010  
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Please contact Gladys Onejeme, Auditor, at (916) 324-6892 or  
gladys@calrecycle.ca.gov with any questions regarding this report.

Sincerely,



Susan R. Villa, Branch Manager  
Fiscal Services Branch  
Administration and Finance Division

Enclosure

cc: Tom Estes, Deputy Director, Administration and Finance Division, CalRecycle  
Jeff Hunts, Manager, E-Waste Branch, CalRecycle  
Brian Kono, Manager, Audits and Evaluations, CalRecycle  
Gladys Onejeme, Auditor, Audits and Evaluations, CalRecycle

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**AN ELECTRONIC WASTE AUDIT**

**Goodwill Industries of San Diego County**

**Electronic Waste Recovery and Recycling Account**

**Final Audit Report**

**Recycler Payment Claim: Claim 1196**

**For the Period January 1, 2008  
Through December 31, 2008**

**Prepared By:  
Department of Resources Recycling and Recovery  
Audits and Evaluations**

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**August 2010**

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ATTACHMENT – Auditee’s Response to Draft Audit Report



**Goodwill Industries of San Diego County (CEWID 100569)  
Covered Electronic Waste Recovery and Recycling Program**

**SUMMARY**

The Department of Resources Recycling and Recovery (CalRecycle) processed and paid a claim, in the amount of \$227,189.82, submitted by IMS Electronics Recycling Inc.; (an electronic waste recycler). GISD (an electronic waste collector) provided covered electronic waste (CEW), in the amount of \$19,674.40, to IMS Electronics Recycling Inc. for payment. The payments issued by CalRecycle are funded by the Electronic Waste Recovery and Recycling Account.

Audits and Evaluations reviewed records related to the appropriateness of expenditures of Electronic Waste Recovery and Recycling Account, for the period of January 1, 2008 through December 31, 2008.

**BACKGROUND**

GISD operates as an approved collector for the Electronic Waste Recovery and Recycling Program since January 1, 2005. The Administrative Office of GISD is located at 3663 Rosecrans Street, San Diego, California. The books and records are kept at the same address. CEW collection is conducted at the facilities located at 630 Front Street, San Ysidro, California. GISD provides E-Waste service free of charge to the residents of San Diego and San Ysidro Counties. The donation site is open to the public Monday through Saturday, 8:00 a.m. to 8:00 p.m.

GISD's client base consists of residents and businesses of San Diego and San Ysidro Counties. The Net Cost Report of GISD states 80% of CEW recovery from residents and individuals, 10% from commercial business, and 10 % from institutions.

**OBJECTIVE, SCOPE, AND METHODOLOGY**

The audit was conducted to determine whether GISD complied with CEW reporting, recordkeeping, and payment requirements, as specified by the California Public Resources Code Section 42460, et seq., and the California Code of Regulations (CCR), Title 14, Chapter 8.2.

The audit scope included, but was not limited to, an evaluation of the integrity of electronic waste recycling claims submitted to CalRecycle for payment, and an assessment of operational and regulatory compliance by the participant.

The audit was conducted in accordance with *Government Auditing Standards*. The standards require that the audit was planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the finding(s), if any, and conclusion based on the audit objective.

## **CONCLUSION**

The audit disclosed an instance of noncompliance with the requirement outlined above. This instance is described in the accompanying Finding and Recommendation section of this report.

## **VIEW OF RESPONSIBLE OFFICIAL**

CalRecycle issued a draft report on July, 21, 2010. Sharon Corrigan, Director Marketing and Development Corporate Compliance, responded to the report and agreed with the finding disclosed.

## **RESTRICTED USE**

This report is intended for the information and use of CalRecycle and GISD management. However, this report is a matter of public record and distribution is not limited.

## FINDING AND RECOMMENDATION

### **Finding: Missing Transfer Receipt**

GISD did not have a Covered Electronics Waste Transfer Receipt for September 2008.

Title 14, CCR, Section 18660.8 (d) states, "An approved collector, an approved recycler, or a registered manufacturer shall maintain records for at least three years."

Failure to maintain record of a Covered Electronics Waste Transfer Receipt may result in revocation approval or denial of claims submitted to CalRecycle by GISD.

### Recommendation

GISD should keep track of CEW documentation to comply with the stated regulation.

### Auditee's Response

GISD responded that the company had managed to recover and scan all of the Transfer Receipts from the beginning of 2009 to the present. In addition, GISD established procedures to improve the company's filing system, and maintain proper Transfer Receipt folders. Furthermore, GISD explained that the gap has been corrected in their system to help the company scan all the required electronic waste documents.

### CalRecycle's Comment

Based on the auditee's response, the finding has been resolved.







July 29, 2010

Ms. Gladys Onejeme, Auditor  
Department of Resources Recycling and Recovery  
PO Box 4025 MS19A  
Sacramento, CA 95812-4025

RE: Response to Draft Audit Report- Goodwill Industries of San Diego County (CEWID 100569)

Finding: Missing Transfer Receipt September 2008

Dear Ms. Onejeme:

In 2008, we had numerous senior management and staff changes related to the computer/monitor collection operation. Prior to these changes we had already implemented a practice to scan all (1) donation receipts with monitors or screens claimed through the state program (2) All Collection logs (3) all bills of lading relating to the SB20/50 program which we shared with you.

Unfortunately, during this transition, we were unaware of a gap in our system which should have also required the transfer receipts to be scanned at the same time. During your audit, we discovered that Goodwill's two former recycling directors were keeping the transfer receipts in a drawer, and with subsequent staff changes, some of these transfer receipts were misfiled, mislaid, or destroyed. As a result of your guidance, we have managed to recover and scan all of the transfer receipts from the beginning of 2009 to the present, and to modify our established procedures so that each month we will have a folder that contains the transfer receipt, logs, bills of lading and other documents backing up the items sent to our recycler.

We appreciate your insight and explanations of the audit process, the identification of the gap in our system which has now been corrected, and are confident that we have scanned, and readable copies of all of the documents required by the legislation.

Sincerely,

Sharon J. Corrigan

Communications Director

Cc: RKruse, JRangel, SFyson

